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FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC 5775
RUCPDOG/USDOC WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUEHGH/AMCONSUL SHANGHAI 7150
RUEHSH/AMCONSUL SHENYANG 7703
RUEHCN/AMCONSUL CHENGDU 8020
RUEHGZ/AMCONSUL GUANGZHOU 2585
RUEHHK/AMCONSUL HONG KONG 9025
RUEHIN/AIT TAIPEI 6321

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SIPDIS

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STATE PASS CEQ FOR CONNAUGHTON
STATE PASS CEA FOR BLOCK
STATE PASS USTR FOR STRATFORD/ALTBACH/CELICO/ROSENBERG
NSC FOR HUNTER/SHRIER/TONG
COMMERCE FOR 4420/MCQUEEN
TREASURY FOR SMITH/DOHNER/HAARSAGER/BAKER/CUSHMAN
GENEVA FOR CHAMBERLIN AND USTR
DOE FOR INTERNATIONAL/PUMPHREY/NAKANO/GEBERT
STATE FOR OES/STC/HOWARD AND PADGETT, OES/PCI/COVINGTON, AND
EB/MOORE
STATE ALSO FOR EAP/CM/SECOR AND WARD
STATE PASS TO USTR
EPA FOR INTERNATIONAL/NGUYEN AND CHENG

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [KIPR](#) [SENV](#) [PREL](#) [ENRG](#) [KSCA](#) [CH](#)
SUBJECT: MOST'S VIEWS ON SED DIALOGUES AND UPCOMING BILATERAL
SCIENCE PROGRAM.

11. (SBU) Summary: ESTH Counselor met with Ministry of Science and Technology (MOST) Department of International Cooperation Deputy Director General Ma Linying March 14 to touch base following the SED Whitepaper meetings and hear MOST's views on SED preparations and other upcoming bilateral issues. DDG Ma is very optimistic about the outcome of the Energy and Environment section of the next SED. The State Council assigned the Innovation dialogue to MOST because China's understanding was that it would focus on science and technology research and development. MOST is hoping to sign the FutureGen agreement at SED II in May, but is still waiting for the documentation from the U.S. side. Finally, MOST would like to add an annex covering energy efficiency and renewable energy to the Department of Energy (DOE) - MOST bilateral agreement, and is currently studying Environmental Protection Agency (EPA) proposals to begin cooperation under the MOST-EPA agreement. End Summary.

12. (SBU) DDG Ma reported that MOST did not seek to be the lead on innovation at the SED. Instead, it was the Chinese understanding that the innovation dialogue would focus on science and technology, research and development, and innovation systems that led the State Council to assign the issue to MOST. DDG Ma reemphasized MOST's discomfort with discussing IPR trade disputes under negotiation in the Joint Commission on Commerce and Trade (JCCT) in the SED. DDG Ma stated that MOST's original expectation was that the two sides would exchange experiences and then come up with more focused areas for discussion and cooperation. He said the Chinese side was expecting a much more balanced discussion on innovation than was proposed in our white paper.

13. (SBU) DDG Ma commented that the Energy and Environment discussions were going well and that he was optimistic they would lead to concrete results. He specifically mentioned that China was hoping to sign a FutureGen agreement at SED II and hopes the U.S. side will supply the documentation requested at the last FutureGen

meetings here in Beijing. Ma indicated the Ministry of Finance would be providing a written counterproposal to the U.S. whitepapers that will likely to contain some possible areas of consensus that could be announced in May as well as a list of asks from the Chinese side. He did not have any idea when such a paper might be provided.

¶4. (U) DDG Ma also mentioned several outstanding science and technology issues that should be addressed this year. The next Executive Secretaries Meeting (ESM) is due this autumn. Ma thought early September might be appropriate, but indicated he would welcome US input on timing and on a preferred location. Given that the JCM was in Beijing, Ma thought the ESM might be in another Chinese city. ESTH Couns suggested choosing another location with rich scientific resources to facilitate good site visits.

¶5. (SBU) MOST is still studying the Environmental Protection Agency's proposals to initiate cooperation under the MOU signed in October 2006, and is waiting for a response from the Department of Social Development. Under the MOU with the Department of Energy, MOST hopes to negotiate new annexes covering cooperation on energy efficiency and renewable energy at the working group meeting in the United States later this year. ESTH counselor mentioned that EPA and the General Administration for Quality, Supervision, Inspection, and Quarantine will be signing the Energy Star agreement on Monday, March 19, facilitating exchange on energy efficiency standards.

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